

WHERE DO WE WANT TO BE?

- Mission Statement
- Vision Statement
- Principles
- Goals
- Objectives

MISSION STATEMENT

A mission statement identifies what, and for whom, agencies, programs or subprograms do.

Mission: a brief, comprehensive statement of purpose of an agency, program or subprogram.

The mission statement is an invaluable tool in directing, planning and implementing agency efforts. The mission describes customers and products or services. The mission is part of the organization's identity, is all encompassing and rarely changes, and is the ultimate rationale for the existence of the agency, program or subprogram.

When writing a mission statement, consideration should be given to these questions:

- Who are we?
- What do we do?
- For whom do we do it?
- Why do we do it?
- Why are public resources devoted to this effort?

Address these questions by looking at the agency, program or subprogram from the outside - from the customer and stakeholder point of view.

Mission Statement Criteria

A good mission statement will:

- Identify the overall purpose for the existence of the agency, program or subprogram as established in statute, rules, session law or executive order.
- Identify the basic needs or distinct problems that the agency, program or subprogram is designed to address.
- Identify clients, customers or users (both internal and external) of an agency, program or subprogram.
- Help identify client, customer and stakeholder expectations, requirements, services and products provided to meet these requirements, and processes and resources used to satisfy the requirements.
- Lead to the development of performance measures that reflect customer and stakeholder requirements.

Defining the Mission

To facilitate the development, review or revision of an agency, program or subprogram mission, use the following process:



1. Identify the original purpose for the agency, program or subprogram.

- Why does the agency exist? What problems were to be addressed by the agency?
- What mandates--constitutional, legislative, executive, judicial or other--have been assigned to the program or subprogram?
- What functions, products or services are, or should be, provided?



2. Reflect the customer and stakeholder base in the statement.

- Use the customer/stakeholder identification completed during the SWOT.



3. Identify current needs or distinct problems.

- How do current expectations differ from the original purpose of the agency or program?
- What are the primary needs or problems that have to be addressed?



4. Review and revise existing mission statements and draft new statements as appropriate, based upon the previous questions.

- Has the mission changed, through legislation or executive order, since it was originally established?
- Are program missions focused and specific? Are program missions compatible with the agency mission?
- Do subprogram missions adequately reflect their role in meeting the program mission?
- Are agency, program and subprogram missions clearly understood by employees, customers and clients?

Program and subprogram missions should have an obvious link with the agency mission. For example, the Arizona Department of Health Services provides direct treatment of certain seriously mentally ill patients at the Arizona State Hospital. Note that the mission of the agency clearly states that behavioral health is a primary role, and the Hospital and Clinical Services mission have a direct link. Note also that the agency mission is very broad, the program mission is more specific, and the subprogram mission is very specific.

E X A M P L E S	Department of Health Services – Agency Mission:
	To assess and assure the physical and behavioral health of all Arizonans through education, intervention, prevention, delivery of services and the advancement of public policies that address current and emerging health issues in a manner that demonstrates our efficiency, effectiveness, integrity and leadership.
	Arizona State Hospital - Program Mission:
	To restore and enhance the quality of life and health of persons requiring inpatient psychiatric services while protecting patient, staff and public safety.
	Clinical Services – Subprogram Mission:
	To provide specialized care and treatment to all patients.

Hint: The Litmus Test for Mission Statements in the Forms section of this Handbook can be used to evaluate new or revised mission statements.

Descriptions

Besides mission statements, budget units are responsible for developing agency, program and subprogram descriptions for the various documents required by the Arizona Budget Reform Act. Agency descriptions are required for the strategic plan and the *Master List of State Government Programs*, which also requires descriptions for all programs and subprograms. The budget submittal also requires descriptions for the agency, as well as for each cost center, which may or may not line up with the program structure.

The description should be written so that someone unfamiliar with the agency, program or subprogram will have a general understanding of what it does, whom it serves, why it is needed and how it works. Whenever possible, avoid the use of technical terminology, abbreviations and acronyms. If a program is jointly administered by another agency--funds are either “passed-through” from one agency to another or are subject to an intergovernmental agreement or contract--include the name of the organization in the description.

One way to develop an agency, program or subprogram description follows.

- Review the information developed for the mission statement.
- Imagine giving a five-minute explanation of the agency, program or subprogram to the legislature, general public, community groups, or on behalf of the Governor. Assume your audience knows nothing about this agency, program or subprogram and think about how to best describe what is being done in terms they can understand.
- Develop a paragraph that clearly summarizes the purpose of the agency, program or subprogram by including language that further explains the mission.

The description of an agency, program or subprogram should be clear and understandable to anyone reading it, regardless of the technical aspect of the work being done or the services being provided.

E X A M P L E S	Agency – Arizona Department of Revenue
	Program – Property Valuation and Equalization
	Subprogram – Assessment Standards and Equalization
	<p>Subprogram Mission. To ensure that properties are equitably valued statewide.</p> <p>Subprogram Description. The subprogram ensures that all property in the state is appraised for tax purposes at its full cash value; performs studies several times a year to evaluate appraisal performance; annually develops mass appraisal models for many residential properties in the state; develops uniform appraisal methods and techniques; reviews and screens sales information; compiles and updates appraisal manuals and guidelines annually; develops appraiser certification standards; provides appraiser certification program and field training and support for the counties; new construction cost system; and maintains and updates the system’s manual.</p>

VISION STATEMENT

Government is faced with the challenge of delivering services with greater efficiency, effectiveness and quality, yet it must operate within resource constraints. Creating a vision can help State agencies redefine how services are provided and prepare the organization to meet the demands of the future.

Vision: a compelling, conceptual image of the desired future.

Great visions are conceived through a partnership between top management and all levels of the organization--in other words, those who will be implementing the vision. The vision becomes a focal point for everyone in the agency. Ideally, the values of each employee become part of the organization's vision. By sharing the vision, management establishes commitment to the overall vision from employees at all levels.



Team Effort

Acknowledging, articulating, and sharing the organizational identity is a unifying process. It may be easy for management and staff of a particular program to have a pretty good idea of what their identity is, but they may never really take the time to think about what the vision, mission and principles might be for the whole agency. Strategic planning provides an opportunity for everyone to sit down in a disciplined and thoughtful manner to look at the total picture together.

A great vision, one that will inspire and challenge, is purposefully created and will provide more than a picture of the organization's ideal future.

- It is a critical ingredient for change.
- It represents a global, continual purpose for the organization.
- It electrifies and invigorates.
- It is the ultimate standard toward which all progress is measured.
- Its structure is less important than its effect on the values and behaviors of every member of the organization.

When developing the vision statement, keep in mind the following criteria.

A great vision statement will be:

- Brief and memorable.
- Inspiring and challenging.
- Descriptive of the ideal.
- Appealing to employees, customers and stakeholders.
- Descriptive of future service levels.
- Idealistic, standing above the commonplace.
- Enduring.

In addition, a vision statement should answer the following questions.

- What does the agency want, what are its aspirations?
- How does the agency wish to be known by customers, employees, the community?
- How will the agency enhance the quality of life for those who use its services or products?



Key Point

A vision statement, when integrated with a mission statement and principles, comprises the organizational identity of an agency--its uniqueness. Together, the mission, vision and principles define a desired future, the accomplishments needed to get there and the principles that will guide future choices. Each element is important.

Without a vision, there is no inspiration.

A vision without a mission is an impractical notion.

A mission without values could lead to an "ends justifies any means" credo.

Hint: The Litmus Test for Vision Statements in the Forms section of this Handbook can be used to evaluate new or revised vision statements.

PRINCIPLES

Principles are factors that drive the conduct of an organization and guide the development and implementation of all policies and actions. Although an organization's principles may be implicitly understood, it is often helpful to explicitly state them.

Principles: the core values and philosophies that describe how an agency conducts itself in carrying out its mission.

Principles are often associated with a quality management culture. These include "getting it right the first time," satisfying customers and continuous improvement. Principles also...

- Serve as criteria to guide decision-making at all levels of an agency.
- Express common values that can be embraced by the whole organization.
- Are powerful instruments for changing organizational culture.
- Motivate employees.
- Express basic beliefs about the conditions under which people work best.
- Steer leaders toward putting in place the structures, systems and required skills needed to make the vision a reality.

Articulating Principles

Describing the organization's principles represents a challenge for management. Principles should reflect the values and philosophy of the director and the executive management team, as well as organization-wide values and assumptions. The principles should be compatible, comfortable and convincing for everyone inside the organization and for customers and stakeholders.

Sometimes principles are expressed in terms of responsibilities--to customers, employees, stakeholders and the community in which it operates or the physical environment as a whole. Sometimes principles are expressed in terms of quality or excellence in management and the production of goods and services.

Generally, the best statements of principles express the organization's attitude and values about three things:

- People: The way employees and customers are treated.
- Processes: The way the organization is managed, decisions are made, and products or services are provided.
- Performance: The expectations concerning the organization's responsibilities and the quality of its products and services.

E X A M P L E S	From various Arizona state agencies:		
	EMPLOYEES	...	We care about each other, encourage growth and recognize accomplishments.
	CUSTOMERS	...	Our first priority is to satisfy our customers.
	QUALITY	...	We do the right things right the first time.
	IMPROVEMENT	...	We do the right things even better the next time.
	INTEGRITY	...	We are committed to the highest standards of ethical behavior.
	TEAMWORK	...	TOGETHER, We Make It Happen
	LEADERSHIP	...	Leaders are inspiring and lead by example. Leadership exists at all levels.
	MANAGEMENT	...	We manage by fact.
	MEASUREMENT	...	Our performance measures are customer-focused, outcome-based, comprehensive and clear.

Principles summarize the philosophies or core values that will be utilized in fulfillment of the vision and mission. Thus, principles help form a bridge between where the organization *is* and where it *wants to be*.

Hint: The Litmus Test for principles in the Forms section of this Handbook can be used to evaluate new or existing principle statements.

GOALS

Goals provide a framework for more detailed levels of planning. Goals are more specific than the mission statement, but remain general enough to stimulate creativity and innovation. They indicate the general changes that will have taken place in the agency, program or subprogram. Goals describe the "to be" state.

Goal: the desired end result, generally after three or more years.

It is important to remember that goals will be set at the agency, program and subprogram levels. Agency goals represent the strategic direction for the organization as a whole and, therefore, will be broad. Collectively, agency goals will clearly chart the direction of the agency and provide a unifying theme for programs and activities. In contrast, program and subprogram goals address both strategic direction and improvements associated with *primary activities* and will be more specific than agency goals. Program and subprogram goals should not be a comprehensive listing of every activity, but they should represent a significant portion of the relevant budget.

Goals will also represent immediate or serious problems or high-priority issues that merit special attention. These critical or strategic issues, which are often uncovered during the internal/external assessment, might be described as the "make or break" kinds of issues.

Strategic Issues

Strategic issues do not necessarily fall neatly within the boundaries of a particular program; instead, they often impact several programs or the entire agency. However, agencies may be able to consolidate these issues into key result areas, which can be a combination of many different operational or programmatic concerns. The following may help further identify strategic issues.

- **Strategic issues may arise as a result of an agency's internal assessment.** For example, low customer approval ratings may result in customer service as a strategic issue for the agency.
- **Strategic issues may be generated by external forces.** For example, juvenile crime has received extensive media coverage, the public is demanding action, and lawmakers are considering various proposals to address this problem. Juvenile crime would be a strategic issue for those agencies with youth-related programs.
- **Strategic issues may be addressed in the short term (during the next fiscal year).** Legislation passed in 1992 requiring the development of an Electronic Funds Transfer program by December 31, 1992 (halfway through FY 1993) was a strategic issue for the Department of Revenue.

- **Strategic issues may be implemented over the long term.** The migration of all 109 identified State agencies from the current budget structure to program budgeting is scheduled to occur over a period from July 1, 1998, until the end of 2006. This strategic issue will affect OSPB, JLBC Staff and the agencies.
- **Finally, strategic issues may lead to strategic planning goals.** However, just identifying a problem or opportunity as a strategic issue is not the same as determining the goal or desired end result. For example, a strategic issue may be a problem with unfavorable media coverage. The goal may be to foster better relationships with the press.

Strategic issues may emerge in an unexpected manner and become important after the strategic plan is completed and approved. However, a strategic issue identified after the plan has been completed and approved should not pose a problem. The agency can more easily address new strategic issues when the direction of an agency has been identified through the strategic planning process. Knowing what will be needed to accomplish an agency's mission, goals and objectives will ensure a quick, effective reallocation of existing resources to handle any unexpected events.



Key Point

Strategic issues represent concerns of critical importance to the organization. Often these strategic issues impact several or all of the programs in a budget unit. Identifying these few critical concerns can help management focus on high priority goals for the organization as a whole.

Criteria for Goals

The following criteria will help with evaluating goals.

- Goals will be in harmony with, and clarify, the agency vision, mission and principles.
- Goals that are achieved will fulfill, or contribute to fulfilling, the mission of the agency, programs and subprograms.
- Goals will address priorities and the results of the internal/external assessment and may be developed in response to strategic issues.
- Goals will tend to remain essentially unchanged, until there is a shift in the environment under which they were created, or, as in the case of a strategic issue, the desired outcome has been achieved.
- Goals will normally encompass a relatively long period; i.e., at least three years or more. Keep in mind that if an *agency-wide* goal can be accomplished in fewer than three years, it *may* be an objective.
- Goals will address the gaps between the current and the desired level of service.

- Goals will represent a desired program or subprogram result.
- Goals will chart a clear direction for the organization, programs and subprograms, but will not set specific milestones or strategies; objectives and actions plans will do that.
- Goals will be within legislative authority or have, as an objective, legislation introduced to support them.
- Goals will be challenging, but realistic and achievable.

E X A M P L E S	<p>Goals that <i>don't</i> meet the criteria:</p> <ul style="list-style-type: none"> • To continue to serve our customers. (<i>Not challenging.</i>) • To process registration filings. (<i>Unclear purpose, more appropriate as an objective or action step.</i>) • To enter 3,000 records by FY 1999. (<i>Too specific, short-term; more appropriate as objective or action step.</i>) <p>Goals that <i>do</i> meet the criteria:</p> <ul style="list-style-type: none"> • To decrease the average number of days to process applications and issue licenses. (Generic goal.) • To improve transit service to the elderly, disabled and rural passengers. (<i>Program goal for the Public Transit Program of the Department of Transportation.</i>)
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Making the Process Work

The agency director's assertive leadership is essential to ensure that the goals will facilitate meeting the agency's mission. Follow these steps to develop or revise agency, program and subprogram goals:



1. Establish the process

- Identify participants.
- Define terminology.
- Establish time frames.
- Clarify expectations.



2. Review Internal and External Assessment Data

- Prior to beginning the actual goal-setting exercise, background information should be distributed and reviewed by the participants. Compilation and distribution of this information will set the stage for formulating goals.

- Consider all of the information from the internal/external assessment, including:
Strengths and Weaknesses
Opportunities and Threats
Customer/Stakeholder Analysis
- Incorporate all identified Strategic Issues



3. Incorporate Customer and Stakeholder Feedback

- Identify customer and stakeholder needs.
- Analyze customer and stakeholder comments and complaints to identify further need for improvement.
- Establish improvement goals.
- Track, measure and benchmark the “as is” process.
- Set targets for “to be” process.
- Implement improvements.
- Gather and measure customer and stakeholder satisfaction with improved products and services.



4. Analyze Gaps in Service

A **gap analysis** is the identification of the difference between the desired and current state. After examining the data gathered in the internal/external assessment, questions, concerns and/or an awareness of significant deficiencies may emerge. Some essential piece of information may be missing, some valuable information may not currently be accessible, or some vital need may not be met at this time. Once the difference between the desired and current state has been identified, priorities and goals are developed for closing or eliminating each gap.

To perform the gap analysis, review all of the problems identified during the internal/external assessment, then determine what will be needed to eliminate complaints and gaps. Then ask:

- How does the desired state of the agency, program or subprogram compare with the current state?
- Are current products and/or services meeting or exceeding the primary customers' needs and expectations? If not, can any current products and/or service levels be redirected, reduced or eliminated?

- What is the state of current goals and performance measures and what is the capacity to meet new ones?
- Has the gap analysis identified the need to plan for new products and/or services?
- Have tradeoffs in assuming new products or services been considered?
- Would planned products and/or services compete for resources with existing ones?



5. Set Direction to Achieve Desired Results

Based on the results of the internal/external assessment, determine if the agency is headed in the right direction, or if minor or major changes will be necessary. By asking questions like the following, a new course can be set.

- If the organization continues in the same direction, will identified issues or problems be addressed, will identified strengths continue to be strengths?
- If the organization continues in the same direction, will needs of external and internal customers be met? Will service to customers improve?
- Do current programs and/or activities need to change? Should some be added, eliminated, or expanded? How much expansion is needed, wanted, or can be handled?
- What lines of communication, coordination, and cooperation should be developed among programs and activities, between programs and subprograms, with other organizations?



6. Draft and Refine Goals

- Review goals developed previously and revise as appropriate.
- Based on the internal/external assessment and the discussion on direction, develop proposed goal statements for the planning cycle.
- Determine whether the proposed goals meet the criteria (see pages 32-33). Revise goal statements as necessary.
- If it is not obvious who the intended recipient is or who will benefit, add language to the goal statement to clarify.
- Determine if the goals are feasible. Consider the factors or conditions that will facilitate or hinder goal achievement. Revise goal statements as necessary.
- Reach consensus among all participants on the goal statements and be committed to the completion of the goals.

- **Optional:** Consider ranking the goals in terms of their relative importance and the allocation of resources necessary to achieve them. Ranking goals:

Provides guidance to managers and key staff members in developing agency goals, and program and subprogram goals and objectives.

Sets priorities for resource allocation.

Provides an overall framework for implementing, tracking and evaluating performance and progress.



7. Select Goals to Include in External Strategic Planning Documents

- Review all the goals developed for each program and subprogram.
- Select those key goals that represent the most important activities.
- Consider what would be most informative to an external policy maker. For example, a strategic goal of improving internal communications is important for an organization's internal strategic direction; however, it might not be reported in external documents.

	<p>For the agency that has never produced a strategic plan, goal setting should be a joint effort.</p> <p>The director, key staff and representatives from program or service areas should all be part of the team. Each agency will determine the participants, but the planning group should be small enough to facilitate effective problem solving.</p>
<p>Team Effort</p>	

Summary

Goals will usually relate to the major components of an agency's mission. However, each agency will vary in the number and scope of the goals set. Agencies may develop goals for distinct programs or goals that cross program lines. Although the scope of the goals set at the agency level may be more general than those set at the program or subprogram level, the process of goal setting and the definition of a goal remain the same.

The next step in planning is to develop objectives. Objectives are more specific, quantifiable and time-bound than the goals they support. The next section will introduce the criteria for developing objectives.

Hint: The Litmus Test for goals in the Forms section of this Handbook can be used to evaluate new or revised goals.

OBJECTIVES

The development of objectives completes the "Where do we want to be?" part of the strategic planning process.

Objectives: specific and measurable targets for accomplishing goals.

In contrast to goals, objectives are specific, quantifiable and time-bound statements of desired accomplishments or results. As such, objectives represent intermediate achievements necessary to realize goals.

Criteria for Objectives



Good objectives will be **SMART**. That is, they will be:

Specific: Objectives should reflect specific accomplishments that are desired, not ways to accomplish them. Objectives should generate specific strategies or actions and be detailed enough to be understandable and give clear direction to others.

Measurable: Objectives must be measurable to determine when they have been accomplished. Accountability should be built into the planning process. A method for measuring an objective must be in place before work actually begins.

Aggressive but **A**ttainable: If objectives are to be standards for achievement, they should be challenging, but should not demand the impossible. For example, it would be reasonable to reduce highway accidents but not to eliminate them. Objectives should also be consistent with available resources.

Results-oriented: Objectives should specify a result; for example, "Respond to 75% of all correspondence within 30 days with an annual average response of 21 days or fewer." An example of an activity might be, "To increase service to the public through improved correspondence turnaround."

Time-bound: Specify a relatively short time frame for meeting objectives, from a few weeks to no more than a year. Objectives are generally more manageable and better integrated with the budget process if they coincide with the fiscal year.

Objectives that are not "SMART"

- To reduce processing time. (*Not specific, measurable, or time-bound.*)
- To eliminate highway deaths. (*Too broad, not realistic.*)
- To complete 3,000 background record searches and 750 field investigations. (*Actually two objectives, not time bound.*)

"SMART" Objectives

- To reduce by 5% the average cost of processing new hires by June 15, 1999.
- To reduce the highway death rate by 10% in FY 1999.
- To complete 750 field investigations in FY 1999.
- To complete 3,000 background record searches during FY 1999.

Formulating Objectives

Objectives can be developed in many ways, and each agency will use the process that best suits their organizational style. One recommended process follows.

**1. Review the mission and goals.**

- Has a clear mission for the agency, program or subprogram been established?
- Have customers and stakeholders been identified?
- Is the intent of the goals understood?

**2. Decide what results are wanted.**

- Decide, given current human, technological and financial resources, how much can be accomplished within the planning period.
- What specific, manageable parts should be achieved? Are there different results, customers or services implied within a goal?
- What variables or factors may influence the result?
- Are specific levels of achievement or solutions already mandated by external elements, such as Federal or State legislation, or court order?
- Are the proposed results consistent with gubernatorial, legislative and organizational policies, values and priorities?



3. Set a time frame for achieving results.

- What is a reasonable period of time for achieving the desired results?
- How critical is immediate action?
- What are the opportunities to act now versus later?
- What are the consequences of action now versus later?
- Do federal guidelines, court orders or consent decrees, State statutes or constitutional provisions already mandate specific time frames or deadlines?



4. Build in accountability.

- Review performance measures and targets already set for goals.
- Identify additional performance measures for objectives, if appropriate.
- Determine performance targets for each objective.
- Assess how progress will be measured.
- Organize to gather appropriate information.

The Stretch Factor

The real art of setting objectives is to create a challenging but achievable target. The best objectives are those that stretch the capacities of people and programs but are, nonetheless, possible. This not only results in genuine improvement in programs and services, but also builds employee pride and confidence. Impossible performance targets, on the other hand, discourage employees, kill initiative and stifle innovation.

Hint: The Litmus Test for objectives in the Forms section of this Handbook can be used to evaluate new or revised objectives.